Sales Tax - Hotels/Motels

Is state sales tax to be collected for room rentals for 30 days or more?

Rooms rented 30 days or more are not subject to state sales tax and state collected local and special district sales taxes.

Tax Exemption -- 30 days or more

If a company rents a room for 30 consecutive days or more, but different people from the company stay in that room, each at different times within the 30 days, then room charges are non-taxable because one entity rented the room.

The Department of Revenue policy is not to restrict the 30-day rental to an individual or the same room, but to 30 consecutive days of paid use by any single payer or customer. However, room rental must be paid in advance. The 30-day rental rule applies to any customer who pays for the room as long as the customer is not a broker or travel agent who is reimbursed by the occupant.

Sales Tax due -- Less than 30 days

Rooms rented for lodging for less than 30 days are subject to state sales tax and applicable local and special district sales taxes. Such rentals are subject to county lodging tax and local marketing tax where applicable. County lodging tax is not charged in municipalities that have their own lodging tax.

A room used exclusively for a banquet, meeting or sales/display room is not subject to Colorado sales tax on charges for these uses.